

**STARR INSURANCE & REINSURANCE LIMITED, CANADA BRANCH**  
200 KING STREET WEST, SUITE 1200  
TORONTO, ON M5H 3T4

**THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.**

**VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED, AND DESIGNATE RIGHTS, OBLIGATIONS AND DUTIES. ALL CLAIMS ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY AND THE APPLICABLE DEDUCTIBLE(S) AS STATED IN THE DECLARATIONS, WHICH ARE CONSIDERED TO BE PART OF THIS POLICY.**

**TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANING. PLEASE READ THIS POLICY CAREFULLY.**

**REMOTELY PILOTED AIRCRAFT SYSTEM AVIATION POLICY**

Policy Provisions - Part 1

The Company as shown in Part 2 - Declarations (hereinafter called the Company), in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part hereof, subject to all of the terms of this policy including the applicable limits of liability, the Company agrees with the **named insured** with respect to those coverages indicated in Items 3 and 4 of the Declarations.

**INSURING AGREEMENTS**

**I. LIABILITY COVERAGES**

**Coverage A – Single Limit Bodily Injury and Property Damage Liability** (including any and all **related claims**) To pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **bodily injury** sustained by any person and **property damage**, caused by an **occurrence** and arising out of the ownership, maintenance or use of the **RPAS**.

Coverage A shall also include liability arising from the sale of the insured **RPAS** and **RPAS** parts and supplies provided the **RPAS** is no longer in the care, custody or control of the insured and such **RPAS** is not operated by or on behalf of the insured.

Only with respect to Coverages A, caused by an **occurrence** and arising out of the maintenance or use of **premises** in or upon which the **RPAS** is operated.

**II. MEDICAL EXPENSE COVERAGE**

**Coverage B - Medical Expense** - To pay all reasonable **medical expense** incurred within 60 days from the date of injury, to or for each **person** who sustains **bodily injury** caused by an **occurrence**, provided the **RPAS** is being used by or with the permission of the **named insured**.

III. **Coverage C - Personal Injury** - To pay damages for **personal injury** for which an **insured** is legally liable, caused by an offence that is first committed during the policy period and arising from the occupancy, operation or use of the **RPAS**, or **premises**, by the **insured**

IV. **DEFENCE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS**  
**Coverages A and C**

The Company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such **bodily injury**, **property damage**, or **personal injury** even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

During such time as the Company is obligated to defend a claim or claims under the provisions of the preceding paragraph, the Company will pay with respect to such claim, in addition to the applicable limit of liability:

- (a) all expenses incurred by the Company, all costs taxed against the **insured** in any suit defended by the Company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, not to exceed \$500.00 per bail bond, but the Company shall have no obligation to apply for or furnish any such bonds;
- (c) expenses incurred by the **insured** for first aid to others at the time of an accident, for **bodily injury** to which this policy applies;
- (d) These payments will reduce the limits available for Coverage C.

V. **POLICY PERIOD, TERRITORY**  
**All Coverages**

This policy applies only to **bodily injury**, **property damage**, or **personal injury** which occurs during the policy period, while the **RPAS** is within the policy territory described in the declarations

## EXCLUSIONS

This policy does not apply:

1. (a) To any **insured** while the **RPAS** is in flight with the knowledge and consent of such **insured** or of any executive officer, partner, or managing agent of such **insured** for any unlawful purpose, or any purpose not so designated in the Declarations, or operated by other than the persons or pilots designated in the Declarations
  - (b) To any **RPAS** unless recorded via the SkyWatch system.
  - (c) Unless the **RPAS** operator holds all the certificates and ratings required by Transport Canada.
  - (d) To any **insured** while the **RPAS** is in flight indoors of a building or other enclosed structure.
  - (e) To **bodily injury, property damage, or personal injury** expected or intended from the standpoint of the **insured**.
  - (f) Any discharge or release of munitions or firearms whether intentional or unintentional.
  - (g) To any **RPAS** unless the operator complies with all applicable requirements and safety rules in the Aeronautics Act, the Canadian Aviation Regulations and Regulations Amending the Canadian Aviation Regulations (Remotely Piloted Aircraft Systems): SOR/2019-11, and all other applicable Canadian statutes and regulations.
  - (h) To any illegal uses of the **RPAS** or for any purpose other than those recorded via the SkyWatch application.
2. To any damages excluded by the Nuclear Risk Exclusion Clause below.
    - (a) This policy does not cover:
      - (1) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
      - (2) any legal liability of whatsoever nature.

directly or indirectly caused by or contributed to by or arising from:

- (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
- (c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

- (b) It is understood and agreed that such radioactive material or other radioactive source in paragraph (a) and (b) above shall not include:
  - (1) depleted uranium and natural uranium in any form;
  - (2) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- (c) This policy, however, does not cover **loss** of, or destruction of, or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
  - (1) the **insured** under this policy is also an **insured** or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
  - (2) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
  - (3) the insured under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.

3. To claims caused by

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labor disturbances.
- (d) Any act of one or more person, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the **loss** or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil, military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the **RPAS** (including any attempt at such seizure or control) made by any person or persons acting without the consent of the **insured**.

Furthermore this policy does not cover claims arising while the **RPAS** is outside the control of the **insured** by reason of any of the above perils. The **RPAS** shall be deemed to have been restored to the control of the **insured** on the safe return of the **RPAS** to the **insured** at and not excluded by the geographical limits of this policy, and entirely suitable for the operation of the **RPAS** (such safe return shall require that the **RPAS** be in the possession of the **named insured** and under no duress).

#### 4. Under Coverages A and B

- (a) To any liability for which the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
- (1) that the **insured** would have in the absence of a contract or agreement; or
  - (2) assumed in an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution and prior to the termination of the **insured contract**.
- (b) To an **insured** under this policy who is also an **insured** under a contract of nuclear energy liability insurance issued by the Nuclear Energy Liability Insurance Association or the Mutual Atomic Energy Liability Underwriters and in effect at the time of the **occurrence** resulting in such injury, sickness, disease, death or destruction; provided, such contract of nuclear energy liability insurance shall be deemed to be in effect at the time of such **occurrence** notwithstanding such contract has terminated upon exhaustion of its limit of liability;
- (c) (1) To claims directly or indirectly occasioned by, happening through or in consequence of:
- (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
  - (b) pollution and contamination of any kind whatsoever,
  - (c) electrical and electromagnetic interference,
  - (d) interference with the use of property,
- unless caused by a crash or collision of the insured **RPAS** or an emergency causing abnormal **RPAS** operation.
- (2) With respect to any provision in the policy concerning any duty of the Company to investigate or defend claims, such provision shall not apply and the Company shall not be required to defend:
- (a) claims excluded by paragraph (c) (1) or
  - (b) a claim or claims covered by the policy when combined with any claims excluded by paragraph (c) (1) referred to below as "Combined Claims."
- (3) In respect of any Combined Claims, the Company shall (subject to proof of loss and the limits of the policy) reimburse the **insured** for that portion of the following items, which may be allocated to the claim or claims covered by the policy:
- (a) damages awarded against the **insured** and
  - (b) defense fees and expenses incurred by the **insured**.
- (d) To claims in respect of death, **bodily injury**, illness or disease to any person or persons and/or damage to or destruction of property caused by or resulting from the application of or use by the **insured** or his

agent of all forms of fertilizers, fungicides, defoliant, herbicides, hormone selective weed killers, pesticides, insecticides and arsenical preparations or compounds or any other forms of chemical.

(1) Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

5. Under Coverages A and B

- (a) To any obligation for which the **insured** or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- (b) To **bodily injury** to any employee of the **named insured** arising out of and in the course of his employment by such **named insured**; but this exclusion (b) does not apply to liability assumed by the **named insured** under any **insured contract** that is a prerequisite for the use of any airport or airport facility;
- (c) To **bodily injury** or death of any person who is a **named insured**.

6. Under Coverage A, to **property damage** to property owned, occupied, rented or used by the **insured** or in the care, custody or control of the **insured** or as to which the **insured** is for any purpose exercising physical control or transported by the **insured**.

7. **Under Coverage C** to any damages, loss, cost or expense, as a result of **personal injury**:

- A. arising out of breach of contract.
- B. that arises out of that part of an offence that continues or resumes after the later of the end of the policy period of:
  - 1. this insurance; or,
  - 2. a subsequent, continuous renewal or replacement of this insurance, that:
    - a. is issued to you by us or by an affiliate Company of ours.
    - b. remains in force while the offence continues; and
    - c. would otherwise apply to **personal injury**.

- C. for which the insured is obligated to pay damages by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability for damages that such insured would have in the absence of such contract or agreement.

- D. arising out of any criminal or fraudulent conduct committed by or with the consent or knowledge of the **insured**.
- E. arising out of an offence, committed by or on behalf of the **insured**, that:
  - a. is intended by such **insured**; or
  - b. would be expected from the standpoint of a reasonable person in the circumstances of such **insured** to cause injury

- F. arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness, performance, quality or use.
- G. arising out of:
1. controlling, creating, designing or developing of another's Internet site;
  2. controlling, creating, designing, developing, determining or providing the content or material of another's Internet site;
  3. controlling, facilitating or providing, or failing to control, facilitate or provide, access to the Internet or another's Internet site; or
  4. publication of content or material on or from the Internet, other than material developed by you or at your direction.
- H. arising out of an offence committed by or on behalf of an **insured** whose business is advertising, broadcasting, cablecasting, publishing, telecasting or telemarketing.

This exclusion does not apply to **personal injury** caused by an offence described in subparagraphs A., B., or C. of the definition of **personal injury**.

- I. arising out of any offence first committed before the beginning of the policy period.
- J. arising out of any electronic, oral, written or other publication of content or material by or with the consent of the **insured**:
1. with knowledge of its falsity; or
  2. if a reasonable person in the circumstances of such **insured** would have known such content or material would be false.
- K. any damages sustained at any time by any person, whether or not sustained in the course of employment by any **insured**, arising out of any employment-related act, omission, policy, practice or representation directed at such person, occurring in whole or in part at any time, including any:
- a. arrest, detention or imprisonment;
  - b. breach of any express or implied covenant;
  - c. coercion, criticism, humiliation, prosecution or retaliation;
  - d. defamation or disparagement;
  - e. demotion, discipline, evaluation or reassignment;
  - f. discrimination, harassment or segregation;
    - (i) eviction; or
    - (ii) invasion or other violation of any right of occupancy;
  - g. failure or refusal to advance, compensate, employ or promote;
  - h. invasion or other violation of any right of privacy or publicity;
  - i. termination of employment; or
  - j. other employment related act, omission, policy, practice, representation or relationship in connection
  - k. with any **insured** at any time.
- L. arising out of the taking of or exercising of the property rights of others by overflight or other operation of the **RPAS**.
- M. arising out of the wrong description of the price of goods, products or services.

N. arising out of, giving rise to or in any way related to any actual or alleged:

1. assertion; or
2. infringement or violation;

by any person or organization (including any **insured**) of any **intellectual property law or right**, regardless of whether this insurance would otherwise apply to all or part of any such actual or alleged injury or damage in the absence of any such actual or alleged assertion, infringement or violation.

## LIMIT OF THE COMPANY'S LIABILITY

### ALL COVERAGES (Other Insurance)

Except with respect to insurance specifically purchased by the **insured** to apply in excess of this policy, if there is other insurance in the **insured's** name or otherwise, against **loss**, liability or expense covered by this policy, the Company shall not be liable under this policy for a greater proportion of such **loss**, liability or expense than the applicable limit of the Company's liability bears to the total applicable limit of liability of all valid and collectible insurance against such **loss**, liability or expense, either as **insured** under a policy applicable to the **RPAS** or otherwise and if such other insurance shall have been written through the Company as primary insurance then the Company's limits of liability under this policy shall be reduced by the applicable limits of such other policy

### COVERAGE A (Total Liability)

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, (3) claims made or suits brought (related or otherwise) on account of **bodily injury** or **property damage**, or (4) **RPAS** to which this policy applies, the Company's liability is limited as follows:

Coverage A. The total liability of the Company for all damages, including all **related claims** and all damages for care and loss of services, because of **bodily injury** or **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of liability stated in the Declarations as applicable to "each **occurrence**".

For the purpose of determining the limit of the Company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

### COVERAGES A (Severability of Interests)

The insurance afforded applies separately to each **insured** against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.



## **COVERAGE A (Total Liability)**

The limit of liability stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains **bodily injury** in any one **occurrence**; the limit of liability stated in the Declarations for Coverage A as applicable to "each occurrence" is, subject to the above provision respecting each person, the total limit of the Company's liability for all expenses incurred by or on behalf of two or more persons who sustain **bodily injury** in any one such **occurrence**.

## **COVERAGE B**

The limit of liability stated in the Declarations for each **occurrence** is the most we will pay for **medical expenses** of all persons arising out of any one **occurrence**. The limit of liability stated in the Declarations for each **person** is the most we will pay for **medical expenses** of any one **person** arising out of an **occurrence**, but such limit shall be included in and subject to the each **occurrence** limit of Coverage B. No one will be entitled to receive duplicate payments for the same elements of injury under this Coverage B and Coverage A of this Policy.

## **COVERAGE C**

The limit of liability stated in the Declarations for **personal injury**, is our total liability for all damages and supplementary payments because of **personal injury**, and shall not exceed the limit of liability stated in the Declarations as applicable to "each offence and in the aggregate", regardless of the number of (1) **insureds** under this Policy; (2) persons or organizations, to which this coverage applies, who sustain **personal injury**; or (3) claims made or suits brought on account of **personal injury**.

## **DEFINITIONS**

When appearing in this policy in bold face print:

**Aviation Managers** means Starr Aviation Agency, Inc., Starr Underwriting Agents Limited, Starr Adjustment Services, Inc. or any of their subsidiary or affiliated companies, branch offices or authorized representatives.

**Bodily injury** means bodily injury, sickness, disease or mental anguish sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

**Transport Canada** means the duly constituted authority of Canada having jurisdiction over civil aviation, or its duly constituted equivalent in any other country.

**Insured** the unqualified word **insured** wherever used in the policy with respect to Coverage A, includes not only the **named insured** but also any person while using the **RPAS** and any person or organization legally responsible for its use, provided the actual use is with the express permission of the **named insured**. **Insured** shall also include any commercial aviation customer, landlord, or airport as evidenced by certificate of insurance issued by or held on file by Starr Aviation Agency, Inc. shall be included as additional insureds but only as respects operations of the **named insured**.

Except with respect to the **named insured** the provisions of this paragraph do not apply:

- (a) to any employee with respect to **bodily injury**, sickness, disease or death of another employee of the same employer injured in the course of such employment;
- (b) to any person or organization or to any agent or employee thereof (other than any employee of the named insured while acting in the course of his employment by the **named insured**):
  - (1) who manufactures, builds, sells or distributes aircraft or **RPAS**, aircraft or **RPAS** engines, aircraft or **RPAS** components, aircraft or **RPAS** accessories, batteries or fuel used in aircraft or **RPAS**;
  - (2) who is engaged in the operation of an aircraft or **RPAS** repair shop, aircraft or **RPAS** sales agency, aircraft or **RPAS** rental service, aircraft or **RPAS** flying school, aircraft or **RPAS** management service, aircraft or **RPAS** aerial application service, aircraft or **RPAS** inspection, appraisal, certification or examination service, commercial flying service, airline, airport, hangar, pilot training center or charter brokerage service;
  - (3) who is engaged in the activity of instruction, evaluation, examination or certification of any **RPAS** operation prospective pilot or crew member;
  - (4) who is charging a fee and/or receiving any remuneration or benefit for providing any type of service whatsoever in connection with the ownership, maintenance or use of any insured **RPAS**;
- (c) to any person or organization operating the **RPAS** under the terms of any rental agreement or training program which provides any remuneration to the **named insured** for the use of said **RPAS**;

**Insured contract** means:

- (a) Any contract which requires as a prerequisite of the use of an airport or airport facility the indemnification of a military or governmental authority, except in connection with work performed for the military or governmental authority;
- (b) that part of any contract or agreement pertaining to ownership maintenance or use of **RPAS** or **premises** under which any **insured** assumes the Tort Liability of another party to pay for **bodily injury** or **property damage** to a third person or organization.

**Insured contract** does not include that part of any contract or agreement:

- (a) with or for the benefit of any crew member or their heirs;
- (b) that pertains to major alteration or major repairs to **RPAS**, or **RPAS** parts or accessories;
- (c) that pertains to the purchase or sale of **RPAS**, **RPAS** parts or accessories;

**Intellectual Property Law or Right** means:

- a. certification mark, copyright, patent or trademark (including collective or service marks);
- b. right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;

- c. other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or
- d. other judicial or statutory law concerning piracy, unfair competition or other similar practices.

**Medical expense** means expenses for necessary medical, surgical, x-ray or dental services, including prosthetic devices, and necessary ambulance, hospital professional nursing and funeral services.

**Named insured** means the person or organization named in Item 1 of the Declarations.

**Occurrence** means an accident, including continuous or repeated exposure to conditions, which results in **bodily injury** or **property damage** during the policy period neither expected nor intended from the standpoint of the **insured**. In the event of continuing or progressively deteriorating damage over any length of time, such damage shall be deemed to be one **occurrence**, and shall be deemed to occur only when such damage first commences.

**Personal Injury** means injury, other than **bodily injury** or **property damage** caused by an offence of:

- A. false arrest, false detention, or other false imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction of a person from or other violation of a person's right of private occupancy of a dwelling, premises or room that such person occupies, if committed by or on behalf of its landlord, lessor or owner; or
- D. electronic, oral, written or other publication of material that:
  - 1. libels or slanders a person or organization (which does not include disparagement of goods, products, property or services); or
  - 2. violates a person's right of privacy.

**Premises** means such portions of **RPAS** operating areas or locations used by the **named insured** directly in connection with the ownership, maintenance, storage or use of **RPAS** exclusive of premises owned, operated or maintained by the **named insured**.

**Property damage** means (a) physical injury to or destruction of tangible property which occurs during the policy period, including loss of use thereof at any time resulting therefrom, or (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period.

**Related claims** means all claims for care and loss of service, loss of society and consortium, mental anguish, emotional distress, loss of support, medical and funeral expenses, and any and all other damages from or arising out of **bodily injury** to any person. Notwithstanding anything to the contrary in the definition of **bodily injury**, the Company's liability and coverage for damages for both **bodily injury** and **related claims** are included and combined within the "each person" and "each **occurrence**" Limits of Liability specified in the Declarations, as applicable, and there are no separate or additional Limits of Liability for **related claims**.

**Remotely Piloted Aircraft System (RPAS)** means a set of configurable elements consisting of a remotely piloted aircraft, its control station, the command and control links and any other system elements required during flight operation, which is operated within visual line-of-sight at all times during flight and remains below 400 feet above ground level, and which may be operated outside or inside of controlled airspace, greater or less than 5 meters away from other people, and greater or less than 3 nautical miles from the centre of an airport.

**Remotely Piloted Aircraft** means a navigable aircraft, other than a balloon, rocket or kite, that is operated by a pilot who is not on board.

**Special Flight Operations Certificate (SFOC) Use** means the **RPAS** shall be used where the total weight exceeds 25 kilograms, is operated outside the **RPAS** operator's visual-line-of-sight, and the take-off weight of **RPAS** requires prior registration of the **RPAS** with Transport Canada and proof of a Special Flight Operations Certificate as required by the Canadian Aviation Regulations, as amended, that was seen and agreed by the Company or its **aviation managers** prior to the insured's use of the **RPAS**.

**Tort liability** means a liability that would be imposed by law in the absence of any contract or agreement.

**SkyWatch Application** means the software utilized to obtain information about the Named Insured and the **RPAS** the Named Insured is operating.

## CONDITIONS

### APPLICABLE TO COVERAGES A, B AND C (BODILY INJURY AND PROPERTY DAMAGE)

#### 1. ACTION AGAINST THE COMPANY

No person or organization has a right under this policy:

- (a) to join the Company as a party or otherwise bring the Company into a suit asking for damages from an **insured**;
- (b) to sue on this policy unless all of its terms have been fully complied with.

A person or organization may sue the Company to recover on an agreed settlement or on a final judgment against an **insured** obtained after an actual trial; but the Company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the **insured** and the claimant or the claimant's legal representative. Service of process may be made upon the Company on behalf of the Company. However, the Company does not waive its right to commence an action in any court of competent jurisdiction or seek a transfer to another court as permitted by law.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the limitation period provided for in the Insurance Act of the Insured's province of domicile as provided for in Item 1 of the Declarations.

## 2. FINANCIAL RESPONSIBILITY

If this policy is certified as proof of insurance under any governmental financial responsibility law applicable to **RPAS**, the Company will pay the minimum amounts required by that law which do not exceed the limit of liability of this policy. The **named insured** agrees to reimburse the Company promptly for any amounts the Company would not have had to pay were it not for this clause.

## 3. NOTICE OF OCCURRENCE, LOSS, CLAIM OR SUIT

- (a) The **named insured** must see to it that the Company or its **aviation managers** are promptly notified in writing at the nearest office, whose address is listed on the back of the policy cover, of an **occurrence** that may result in a claim. Notice shall include:
- (1) particulars sufficient enough to identify the **insured**;
  - (2) how, when and where the **occurrence** took place;
  - (3) the names and addresses of any injured persons and witnesses.
- (b) If claim is made or suit is brought against the **insured**, the **named insured** must see to it that the Company or its **aviation managers** receive prompt written notice of the claim or suit. The **named insured** and any other **insured** involved must:
- (1) immediately send the Company copies of any demands, notices, summonses, initiating pleading or legal papers received in connection with the claim or suit;
  - (2) authorize the Company or its **aviation managers** to obtain records and other information;
  - (3) cooperate with the Company or its **aviation managers** in the investigation, settlement or defence of the claim or suit;
  - (4) assist the Company or its **aviation managers**, upon the Company's request, in the enforcement of any right against any person or organization which may be liable to the **insured** because of injury or damage to which the insurance may also apply.
- (c) No **insureds** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, with the Company or its **aviation managers** consent.

## 4. SEVERABILITY OF INTEREST

Except with respect to the Limit of the Company's Liability and any rights and duties specifically assigned in this policy to the first **named insured**, this insurance applies:

- (a) as if each **named insured** were the only **named insured**;
- (b) separately to each **insured** against whom claim is made or suit is brought.

## APPLICABLE TO COVERAGE B (MEDICAL EXPENSE)

### 5. ACTION AGAINST THE COMPANY

No person or organization has the right under this policy to sue on this policy unless all of its terms have been fully complied with and until thirty (30) days after the required proofs of claim have been filed with the Company.

### 6. MEDICAL REPORTS: PROOF AND PAYMENT OF CLAIM

- (a) The injured person or someone on his or her behalf, as soon as practical after an accident, must give the Company written proof of claim and if requested by the Company:
  - (1) provide his or her sworn statement under oath;
  - (2) authorize the Company to obtain medical reports and copies of records;
  - (3) submit to physical examination by a physician selected by the Company, when and as often as the Company may reasonably require.
- (b) The Company may pay the injured person or any person or organization rendering the services and such payment:
  - (1) shall reduce the amount payable hereunder for the injury;
  - (2) shall not constitute admission of liability by an **insured**, or the Company.

### 7. INSURED'S DUTIES WHEN LOSS OCCURS

When **loss** occurs, the **insured** shall:

- (a) take all reasonable precautions to protect the property, recordable flight log(s) or **RPAS** after an **occurrence**. The Company shall reimburse the **insured** all reasonable cost in affording such protection;
- (b) not abandon the property or **RPAS**;
- (c) immediately contact the **aviation managers** and provide prompt written notice at the address appearing on the back of the policy cover, including the:
  - (1) time, place and description of events;
  - (2) description and location of the **RPAS**;
- (d) do nothing after the **loss** to harm the Company or the **aviation managers** right of recovery against any person or organization;
- (e) allow the Company or the **aviation managers** to inspect the property;
- (f) submit to examination under oath if requested by the Company or the **aviation managers**;

- (g) allow the Company or the **aviation managers** to inspect all records for the **RPAS**, pilot logbooks, repair and service invoices, sales receipts and any other pertinent records until settlement of the **loss**;

## APPLICABLE TO ALL COVERAGES

### 8. ASSISTANCE AND COOPERATION OF THE INSURED

The **insured** shall cooperate with the Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits. The **insured** shall not, except at their own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of an **occurrence**.

### 9. BANKRUPTCY

Bankruptcy or insolvency of the **insured** or of the **insured's** estate shall not relieve the Company of any of its obligations hereunder.

### 10. CANCELLATION

- (a) If this policy is purchased for an hourly event then the policy is non-cancellable and will expire at the end of the policy period shown on the Declarations page. No further notice will be furnished to the **Named Insured**.
- (b) If the policy is purchased for other than an hourly event then the first **Named Insured** shown in the Declarations may cancel this policy by mailing or delivering to the Company or the **aviation managers** advance written notice of cancellation.
- (c) The Company or the **aviation managers** may cancel this policy by mailing or delivering to the first **named insured** written notice of cancellation at least:
- (1) ten (10) days before the effective date of cancellation if the Company or the **aviation managers** cancel for non-payment or premium; or
  - (2) thirty (30) days before the effective date of cancellation if the Company or **the aviation managers** cancel for any other reason.
- (d) The Company or the **aviation managers** will mail or deliver notice to the first **named insured's** last mailing address known to the Company or the **aviation managers**.
- (e) Failure by the Named Insured to remit the premiums on the due date shall be deemed cancellation by the **named insured**.
- (f) If this policy is cancelled, the Company will return any premium refund due. If the Company or the **aviation managers** cancel, the refund will be pro rata. If the first **named insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if **the Company** have not made or offered a refund.
- (g) If notice is mailed, proof of mailing will be sufficient proof of notice.

## 11. CHANGING THE POLICY

This policy contains all the agreements between the **named insured** and the Company concerning the insurance that is afforded. The first **named insured** shown in the Declarations is authorized to make changes in the terms of this policy with the **aviation managers** consent. This policy's terms can be amended or waived only by endorsement signed and issued by the Company and made a part of this policy.

## 12. FRAUD OR MISREPRESENTATION

This policy shall be void if the **named insured** has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in case of any fraud, attempted fraud or false swearing by the **named insured** touching any matter relation to this insurance or the subject thereof, whether before or after a loss.

## 13. NONRENEWAL

If this policy is purchased for an hourly event then the policy is non-cancellable and will expire at the end of the policy period shown on the Declarations page. No further notice will be furnished to the insured. If the Company decides not to renew this coverage, the **aviation managers** will mail or deliver to the first **named insured** shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## 14. PREMIUMS

The first **named insured** shown in the Declarations is responsible for the payment of all premiums.

## 15. REPRESENTATIONS

By accepting this policy, the **named insured** agrees:

- (a) the statements in the Declarations are accurate and complete;
- (b) those statements are based upon representations of the **named insured** to the Company and/or the **aviation managers**;
- (c) the **aviation managers** have issued this policy in reliance upon the **named insured's** representations.

## 16. PROVINCIAL STATUTES

If the terms of this policy are in conflict with or inconsistent with the statutes of any province or territory where this policy is in effect, will conform to those provincial or territorial statutes.



## 17. SUBROGATION

If the **insured** has rights to recover all or part of any payment the Company has made under this policy, those rights are transferred to the Company. The **insured** must do nothing after the loss to impair them. At the request of the Company or the **aviation managers**, the **insured** will bring suit to transfer those rights to the Company and do whatever else is necessary to secure such rights. The **insured** shall do nothing after a loss to prejudice such rights. This condition shall not apply with respect to Coverage B – **medical expense**.

## 18. TRANSFER OF THE NAMED INSURED'S RIGHT AND DUTIES UNDER THIS POLICY

The **named insured's** rights and duties under this policy may not be transferred without the **aviation managers** written consent except in the case of the death or bankruptcy of any individual **named insured**.

If such individual **named insured** dies or is adjudged bankrupt or insolvent, his or her rights and duties will be transferred to the **named insured's** legal representative but only while acting within the scope of duties as such. Until the **named insured's** legal representative is appointed, anyone having proper temporary custody of the **named insured's** property will have such **named insured's** rights and duties but only with respect to that property, but in no event for more than sixty (60) days following such death or adjudication.

## 19. VIOLATION OF STATUTE CLAUSE

If payment for a claim under this policy is in violation of any Canadian economic or trade sanctions, including but not limited to, sanctions administered and enforced by Global Affairs Canada, then coverage for that claim shall be null and void.

## 20. STATUTORY CONDITIONS

The following statutory conditions apply only to the extent required by the Insurance Act in force in the jurisdiction of the principal address of the insured listed in Item I of the Declarations.

### MISREPRESENTATION

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### PROPERTY OF OTHERS

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless (a) otherwise specifically stated in the contract, or (b) the interest of the insured in that property is stated in the contract.

### CHANGE OF INTEREST

3. The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

### MATERIAL CHANGE IN RISK

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is (a) material to the risk, and (b) within the control and knowledge of the insured.  
  
(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.  
  
(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

## TERMINATION OF INSURANCE

### 5. (1) The contract may be terminated

- (a) by the insurer giving to the insured 15 days' notice of termination by recorded mail or 5 days' written notice of termination personally delivered, or
- (b) by the insured at any time on request.

### (2) If the contract is terminated by the insurer,

- (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
- (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

### (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

### (4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the recorded mail or notification of it is delivered to the insured's postal address.

## REQUIREMENTS AFTER LOSS

### 6. (1) On the happening of any loss or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,

- (a) immediately give notice in writing to the insurer,
- (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration
  - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
  - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
  - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the insured, (iv) stating the amount of other insurances and the names of other insurers,
  - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
  - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
  - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and

- (d) if required by the insurer and if practicable,
  - (i) produce books of account and inventory lists,
  - (ii) furnish invoices and other vouchers verified by statutory declaration, and
  - (iii) furnish a copy of the written portion of any other relevant contract.

(2) The evidence given, produced or furnished under subparagraph (1)(c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

#### FRAUD

7. Any fraud or willfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

#### WHO MAY GIVE NOTICE AND PROOF

8. Notice of loss under Statutory Condition 6(1)(a) may be given and the proof of loss under Statutory Condition 6(1)(b) may be made

- (a) by the agent of the insured if
  - (i) the insured is absent or unable to give the notice or make the proof, and
  - (ii) the absence or inability is satisfactorily accounted for, or
- (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in clause (a) of this condition.

#### SALVAGE

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.

(2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

#### ENTRY, CONTROL, ABANDONMENT

10. After loss or damage to insured property, the insurer has

- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
  - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

#### IN CASE OF DISAGREEMENT

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.

(2) There is no right to a dispute resolution process under this condition until

- (a) a specific demand is made for it in writing, and
- (b) the proof of loss has been delivered to the insurer.

#### WHEN LOSS PAYABLE

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

#### REPAIR OR REPLACEMENT

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.

(2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss and must proceed with all due diligence to complete the work within a reasonable time.

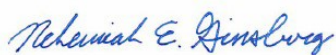
## NOTICE

14. (1) Written notice to the insurer may be delivered at, or sent by recorded mail to, the chief agency or head office of the insurer in the province. (2) Written notice to the insured may be personally delivered at, or sent by recorded mail addressed to, the insured's last known address as provided to the insurer by the insured.

In Witness Whereof, the company issuing his policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.

For purposes of the Insurance Companies Act, this document was issued in the course of Starr Insurance & Reinsurance Limited's insurance business in Canada.

Secretary



President

